



PRESS RELEASE

House National Security Committee

Floyd D. Spence, Chairman

Contact: Maureen Cragin
Ryan Vaart
(202)225-2539

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GAO REPORT VALIDATES GOP CONCERNS

Washington, DC—The General Accounting Office (GAO) today released a report requested by Chairman Floyd Spence that raises questions concerning the analytical rigor of the Administration's 1995 National Intelligence Estimate (NIE). The report, *Foreign Missile Threats: Analytic Soundness of Certain National Intelligence Estimates* (August 1996, GAO/NSIAD-96-225), confirms many of the questions and concerns that have been raised in the past year since the Administration released the controversial NIE.

Upon release of the report, Chairman Spence released the following statement:

"Despite the CIA's refusal to grant GAO investigators access to analysts associated with the intelligence estimate, the report nevertheless provides a useful contribution to the on-going debate by raising legitimate questions about the assumptions, methodology, evidence and treatment of alternative views in the 1995 NIE.

"The President vetoed the FY '96 defense authorization bill due to the legislation's call for deployment of a missile defense for Americans by the year 2003. The President's determined refusal to commit to such a deployment is based on two points – first, that such a deployment will be too expensive, and second, that the threat does not justify such a commitment.

"On cost, despite CBO's initial and incomprehensible \$30 to \$60 billion estimate of the cost of a national missile defense system, subsequent estimates by DoD, the military services and even CBO indicate that a near-term limited system could be deployed for \$5 to \$15 billion.

“On the threat, the Administration has relied on the controversial 1995 NIE in defending its position. The NIE states that ‘No country, other than the major declared nuclear powers, will develop or otherwise acquire a ballistic missile in the next 15 years that could threaten the contiguous 48 states or Canada.’ Leaving aside the questions of why the Administration would not be concerned about defending Hawaii or Alaska, or why the Administration has down-played the threat posed by the existing ballistic missile forces of Russia or China, the NIE sparked considerable controversy in many quarters. Jim Woolsey, the President’s first DCI, for example, raised serious concerns about the logic and findings of the NIE in testimony before the committee. GAO’s questioning of the 1995 NIE certainly raises further doubts concerning the Administration’s sanguine attitude about the growing missile threat to Americans.

“This GAO report is certainly not the last word on this issue. The President has indicated that he will sign into law the FY ’97 National Defense Authorization Act (H.R. 3230), which contains two important provisions on this issue. The first, section 1311, directs the Director of Central Intelligence to convene a panel of independent, non-government experts to review the 1995 NIE. Earlier this year I had urged DCI Deutch to conduct an independent review, but in the end, legislation was required. The second, subtitle B of title 13, directs the establishment of a commission to report on the existing and emerging ballistic missile threat to the United States. The commission is modeled after the successful ‘Team B’ intelligence effort in the 1970s that provided important alternative assessments to the Intelligence Community’s perspective on Soviet strategic goals and objectives.

“The President’s signature of the defense authorization bill in the weeks ahead ensures that the aforementioned assessments of the ballistic missile threat will contribute to the broader debate on whether the nation should commit to the deployment of a missile defense system to protect all Americans.”

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A brief summary of the GAO report’s key conclusions is attached.

KEY CONCLUSIONS OF THE GAO REPORT ON THE 1995-19 NATIONAL INTELLIGENCE ESTIMATE

NIE 95-19 OVERSTATED CERTAINTY OF ITS MAIN JUDGMENT *by ruling out the emergence of possible new ICBM threats to the United States. Caveats and intelligence gaps in NIE 95-19 do not support its categorical dismissal of a possible threat;*

NIE 95-19 HAS ANALYTICAL SHORTCOMINGS. *For example, the NIE failed to identify and defend key controversial assumptions that were crucial to its analysis and did not develop alternative futures to allow for the profound uncertainties and intelligence gaps that the NIE acknowledges exist;*

NIE 95-19 MISREPRESENTED ASSUMPTIONS AS FACT-BASED KEY JUDGMENTS. *For example, the NIE asserted, but did not offer evidence to prove, that nations possessing ICBMs will refrain from selling them; that the Missile Technology Control Regime (MTCR) will continue to significantly limit international transfers of missiles, components, and related technology; or that nations capable of developing ICBMs in the near term will remain politically unmotivated to do so;*

NIE 95-19 PRESENTED LESS EVIDENCE COMPARED TO 1993 NIEs. *GAO found, “The evidence in NIE 95-19 is considerably less than that presented in the earlier NIEs in both quantitative and qualitative terms.” For example, NIE 93-19 had almost twice the supporting evidence on missile threats than 95-19 did when comparing the same countries. Moreover, “In contrast to NIE 95-19, NIE 93-17 supported its judgments more thoroughly;” and*

IN CONTRAST TO NIE 95-19, UNCLASSIFIED U.S. GOVERNMENT AND PRIVATE STUDIES ACKNOWLEDGED A POSSIBLE NEW ICBM THREAT TO NORTH AMERICA DURING THE NEXT 15 YEARS. *Private studies by independent scholars especially “differed significantly from NIE 95-19’s assessment of threats; these studies raised more immediate concerns about foreign missile threats to the United States.”*

NIE 95-19’S JUDGMENTS ON MISSILE THREATS WERE WORDED VERY DIFFERENTLY, DIFFERING PARTICULARLY IN EMPHASIS. *Although GAO stated that “all three NIEs were not inconsistent with each other,” that is they were not diametrically opposed to each other, GAO found that the 1993 NIEs presented a more worrisome portrayal of future missile threats: “the 1993 NIEs pointed out unfavorable and unlikely outcomes associated with foreign ICBMs more often than did NIE 95-19.”*